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UNITED STATES DEPARTMENT OF AGRICULTURE

U.S. 506  
RURAL ELECTRIFICATION ADMINISTRATION //  
WASHINGTON 25, D. C.

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May 16, 1951

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✓ LOAN AND POWER USE MEMORANDUM, 1

ACCOUNTING AND AUDITING MEMORANDUM 5

SUBJECT: Use of Loan Funds for Power Use and Member Education Program

Since the installation of the Modified Procedure for requisitioning and accounting for loan funds was announced (by George W. Haggard, Acting Administrator) on July 14, 1950, we wish to clarify procedure in connection with funds which may be requisitioned for power use and member education activities.

All power use funds will be held in reserve, under Item 17, until the estimated budget submitted by the borrower to cover a period of twelve months is approved by the Applications and Loans Division. The approved amount will then be transferred to Item 13a subject to requisitioning by the borrower.

All office, transportation and educational equipment shall be included in the estimated budget from each borrower where such equipment is for the use of the electrification adviser. While it may not be possible to anticipate all of the equipment which may be needed at the time the budget is prepared, a sum should be included by each borrower sufficient to procure such equipment as needed by the electrification adviser. However, the General Plant Procurement Order procedure is to be followed in obtaining funds for such purchases.

Here is a revised list of items that may be financed under budget Item 13a - Power Use Activities:

1. Salary - Electrification Advisers.
2. Office Equipment for the use of the electrification adviser. This includes such items as desks, chairs, filing cabinets, typewriters and other similar equipment.

3. Office Supplies and Newsletters:

Stationery, stencils and postage used in the preparation and mailing of letters and literature strictly for wiring, plumbing and other member education activities; mimeographing or other printing costs of such newsletters and literature.

4. Demonstration and Testing Equipment:

Wiring test sets, wiring demonstration panels, light meters and other similar equipment. Also, non-permanent and portable demonstration equipment such as hay drier fans, large motors, portable irrigation pipe, lighting equipment, small appliances, etc.

\*5. Transportation Equipment for electrification adviser.  
(Passenger, panel, or pick-up)

\*6. Permanent Home and Farm Equipment:

Ranges, sinks, refrigerators, washers, clothes driers, ironers, hand irons, food mixers and other usual household appliances for demonstration kitchens, utility rooms, and other similar permanent demonstration sites. Welders, grinders, air compressors, forges, and other similar usual farm shop equipment for demonstration farm shops, and other permanent farm equipment demonstration sites. (Note - This item, No. 6, differs from No. 4 in two respects. First, it is usual consumer equipment. Second, it is for use at a more or less permanent demonstration site.)

\*7. Visual Aid and Sound Equipment:

Projectors for movies, strip films, slides, photographic equipment and amplifier systems; professionally prepared charts and other similar educational equipment and material for exhibits, meetings, etc.

\*Note - Complete descriptions must be submitted to the A & L Regional Office and prior approval received before Item 13a funds may be used to purchase these items.

BUDGET ITEM 13a

<u>Accountability</u>	<u>Account Number</u>
1. Salary - Electrification Adviser	*146      787
2. Office Equipment	**372
3. Stationery, stencils, postage, printing, etc.	*146      787
4. Demonstration & testing equipment, wiring test sets, demonstration panels, light meters, etc.	**376
5. Transportation Equipment	**373
(a) Mileage, operation and maintenance	787
6. Consumer Equipment for Demonstrations	**379
(Installed and used at more or less permanent demonstration sites.)	
7. Projectors, film, photographic equipment, film rental, amplifying equipment, charts and similar educational equipment	*146      787
(If of a permanent nature.)	**379

\* Account 146 may be charged with these items when such charges occur prior to energization of the first completed section of the system or when such charges may be related to a subsequent section or sections. The deferment period should be as short as practical and in no instance should exceed four years. Should any question arise regarding the deferment of these items, it is suggested that you write REA direct for assistance and recommendations.

\*\* Equipment which is to be depreciated according to REA procedure.

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